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DEPARTMENT OF STATE A/CDC/MR

PRESS BACKGROUNDER

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-- The Administration is moving quickly to counteract the deteriorating security situation in the Middle East/Persian Gulf region.

-- The situation is urgent and serious, requiring that we not lose time and that we reconsider previous policies designed under quite different circumstances.

-- In the past two years there has been a significant increase in the threat to the countries of the region and our friends are understandably deeply concerned. Although perceptions of the threat may differ, it is plain that actual and potential Soviet exploitation of events underlies the dangers to our friends.

-- These countries have relied heavily on the U.S. for their security support in the past. It is no secret that they have been disappointed in recent years at the failure of the United States to respond firmly and quickly to the new dangers they confront. Drift and indecision in the West have been coupled with ruthless and persistent Soviet exploitation of weakness.

-- A first step in strengthening security in the region is to provide the countries there the necessary means for defending themselves. This means a new and determined policy to assure that friends are reasonably and adequately supplied for their own defense -- as an important means of assuring our own security.

-- As our first initiative in our new strategic outlook, we will respond positively to heightened needs of two close friends to assure their own safety -- Saudi Arabia and Israel.

-- The Saudis have begun only fairly recently to enlarge and modernize their forces in order to strengthen their ability to defend their country's population centers and vast resources. Recent events in the region and the new dangers to Saudi Arabia, however, have clearly outpaced defensive plans and efforts set in motion several years ago. The Saudis, with our help, need to catch up.

-- The Soviet occupation of Afghanistan now makes it possible for Soviet tactical aircraft to cover the strategic Straits of Hormuz through which two-thirds of the world's oil supply moves every day.

-- The principal land barriers to the Soviets are Iran and Pakistan. Iran once was counted on to help defend the Straits. Now isolated, unable to offer effective defense and fragmenting internally, Iran cannot contribute to the collective security of the region. Pakistan is under an immediate threat as a result of the Soviet invasion of Afghanistan; her military equipment is quite obsolete.

-- Indeed, the instability of Iran and its festering war with Iraq seem destined to contribute to the further erosion of regional security and thus to threaten our friends. The position of moderate states in the region will inevitably suffer if the war continues, generating intensified rivalries and pressures on the non-belligerent states in the region. Even if the war ended soon, the bitterness between Iran and Iraq it

has created will continue to undermine stability in the Gulf.

-- Although Saudi Arabia enjoys satisfactory relations with Iraq at present, the recent gyrations in alliances in the region emphasize the need to prepare for an uncertain future. One must assume the possibility that Iraq and Saudi Arabia could return to the ideological and political hostilities that have characterized their relations in the past. The attitude of Iran's radical revolutionary leadership towards Saudi Arabia is equally threatening. In their weakened conditions both Iran and Iraq will be highly susceptible to Soviet troublemaking.

-- On Saudi Arabia's southern border the Soviet client state of South Yemen has supplied guerrilla war in Oman, engaged in border warfare with North Yemen, and fomented internal disorder there. The PDRY supports Soviet ambitions in the Horn of Africa. It is heavily armed by the Soviet Union.

-- This Soviet advance, and the other drastic changes, have taken place in a region where the U.S. traditionally did not maintain a major military presence. The circumstances have inevitably created Saudi doubts about whether they can in any way be protected against the greatly intensified threats that have recently arisen. Saudi fears of the new situation that has arisen could, if we do not address them, undermine the U.S.-Saudi relationship, with all the costs that would entail.

-- In the face of these dangers and in recognition of the importance of Saudi Arabia to the United States and to the West, it is important that we help the Saudis defend themselves by

providing the military equipment they need. Thus, we will be notifying Congress that we propose to sell the Saudis conformal fuel tanks and AIM-9L Sidewinder air-to-air missiles which will increase the range and combat capabilities of their F-15 aircraft in the defensive role. In addition, we have told the Saudis we will agree to provide aerial surveillance aircraft subject to further determination of their requirements. We will also be prepared to be forthcoming on providing the Saudis with a refuelding capability. We will examine with the Saudis their air-to-ground requirements for defense against invasion in response to their earlier request for bomb racks.

-- One of the principal reasons for the sales we propose is to reassure our friends that they can count on us. Given this concern, we are aware that the previous Administration made a commitment not to provide several of the items involved in this package at the time the original F-15 sale was approved. We take this commitment seriously. But it was part of an overall U.S. approach to security in the region that was rendered insufficient by the new dangers. The entire environment in which our Middle East policy is formulated has been transformed by the Soviet invasion of Afghanistan and the revolutionary turmoil in Iran. All of our friends in the area, including both Israel and Saudi Arabia, now face very serious new dangers that we must confront quickly. The new Administration has accordingly developed a new approach to security in the region centered on an attempt to deter or restrain the Soviet advance toward control over the West's energy supply. This new approach will give Israel substantial added security and it requires

us to set aside the previous Administration's commitment on Saudi F-15 enhancement. That commitment was part of an overall U.S. approach that no longer serves anyone's interests, including Israel's.

-- We recognize that our assistance to Saudi Arabia will be perceived in Israel as creating an augmented threat under certain circumstances. We have a responsibility to assure that Israel be able to protect itself and will fully meet those requirements. In line with our enduring commitment to the security and well-being of Israel, we intend to take the steps necessary to enable Israel to continue to maintain a strong force capable of dealing effectively with any military threat. The most serious danger to Israel today, as to the entire West, comes from Soviet designs on the region, and we will cooperate with Israel in meeting that threat.

-- We will do our part to assist Israel because Israeli security and our own are closely intertwined. Israel's strength is a key element in our new approach to making the region secure from Soviet aggression and pressure.

-- Israel's urgent defense needs should be met without placing an additional weight on its heavily burdened economy. Thus, we propose to provide to Israel an additional one-time allocation of $300 million in FM credits in fiscal year 1983 and $300 million in FY 1984. These funds will allow the Israelis to acquire additional equipment, including perhaps aircraft.

-- As a further step towards augmenting Israel's indigenous defense capabiilities we will be as forthcoming as possible to Israeli requests to seek customers for its fighters. We believe

it important that Israel's home-based defense industry be placed on a firm and self-sustaining basis.

-- We will soon be undertaking other steps to strengthen the security of our friends and ourselves in this critical region. These first steps are a sign of our determination that the United States will move decisively and quickly to protect its interests where they are threatened by the Soviet Union or by its surrogates.